

**TESTIMONY OF  
ROBERT (BOB) WOLF  
CPR COMMISSION PUBLIC HEARING  
RIVERSIDE, CALIFORNIA  
AUGUST 13, 2004**

Governor Schwarzenegger, Mr. Chairman and distinguished Commission members, I am both delighted and honored to have been invited here today to visit with you on a subject that has become a passion in my life—transportation.

California's economy and the lifestyle of its citizens are greatly dependent upon a high level of mobility. Without adequate transportation infrastructure, businesses cannot get their goods to market and commuters spend endless hours in traffic. Governor Schwarzenegger's stated goal of bringing businesses back to California and improving the environment for businesses already here, cannot be attained without addressing the transportation infrastructure and its regulatory environment. The CPR effort has highlighted the need for reform; however, no amount of reform can overcome the physical challenges of a transportation infrastructure in great need of enhancement and repair. To maintain our existing system, and to expand it to meet the needs of our vibrant society requires great amounts of money. We can either, raise additional dollars and spend them the way we have been doing all along, or we can try and streamline and reform the process to get more bang for the existing buck. It is on the later approach that I focus my brief comments today.

During past administrations, transportation financing reform was instituted with the "Blueprint" in the 1980's and SB45 during the Wilson Administration. Although the scope of these reforms was and is limited by the practicalities of government, they did much to generate additional funding through the Blueprint and to empower local decision makers and hold them accountable in SB45. What was not done and what must be accomplished to maximize the taxpayers' investment in infrastructure and to deliver much needed transportation projects in a more-timely manner is to reform the methodology currently employed to deliver transportation projects in California.

These reforms described above place much of the decision making in the hands of local officials. The over-arching goal was and is to provide empowerment with its corresponding responsibility. Project selection, one of the cornerstones of empowerment has, to some degree, been compromised through the PSR process. The CPR report insightfully points out that the department has regained some leverage over local project selection by manipulating the PSR process.

Currently, a project must have a PSR completed to be programmed in the STIP. With the department controlling the money available for the completion of PSR's and assigning the work internally, they are able, to some great degree, to determine which projects get programmed and constructed.

This leads me to my first specific recommendation. I would suggest that each region, as a part of their allocation under SB45 be able to "program" some of their own money into a fund for the completion of PSR's within their specific region. They would then be free to contract for the work or even contract back with the department, should they wish.

This reform would allow the regions to complete their priorities within their planning timelines. By distributing the tasks and allowing for flexibility in contracting for the work, the resources available to complete PSR's would be greatly multiplied, freeing the department staff to focus on other important tasks. PSR's could be delivered earlier and projects could move to construction sooner.

Within the theme of empowerment and as my second point today, I would like to address the project management approach to project delivery.

The CPR report describes the challenges associated with having a fractionalized approach to project delivery, with each discipline within the department performing only their specific task. Project development in the twenty-first century requires that a project manager be empowered to see a project through from conception to completion and have full responsibility and authority for the resources necessary to complete the project on time and on budget. My anecdotal observations indicate that even where districts have attempted to implement a project manager methodology, the project managers lacked the authority and resources required to make this methodology a success.

This leads me to my second specific recommendation. I would suggest that a new approach to project management be instituted within the department, with project managers given the resources and authority required to manage, together with the responsibility for delivery time and cost. We cannot expect success with project management without a willingness to give the manager resources, authority and responsibility. Any one of these elements without the others is a formula for failure.

My third point today focuses on the talented people of Caltrans. The department is made up of thousands of well-educated, dedicated individuals who, when empowered, do magnificent work. I would offer the remarkable work done by the department after the Northridge earthquake as testimony to the accuracy of this statement.

There are a great number of disciplines within the department, all of which are required for success. There is, however, an interesting wrinkle within government that, in a spirit of reform, should be explored.

Management is a specific science that demands as much study and affinity as does engineering. The roll of manager is increasing difficult to fulfill while evermore critical to the success of any organization, whether public or private.

Currently, when a good engineer wishes to advance and receive financial recognition, there is, after a point, only one path that individual can take in order to advance. That career path is management. I would submit that there are a number of great engineers within the department who would love to continue to engineer, who are currently in management positions solely to advance financially. What happens when this occurs is that the department loses the excellent engineering work these individuals might be doing and gains managers that might not wish to be in a management position and/or might not have the skill set required for management. In contrast, there are individuals that are specifically trained in management, who have a desire to make management a career and would like to serve the department.

My third specific suggestion is to examine the possibility of providing two distinct career paths within the department. Those who wish to continue to engineer should have the opportunity to do so and should have the expectation of being fairly compensated and recognized without the

requirement to enter management. Those who wish to enter management should have the opportunity to do so by choice and by specific training. It is my belief that if people can choose the path that they wish to follow, the department will be able to retain more good workers and keep them happy and motivated. Retention translates into savings and efficiencies.

My fourth point today is an acknowledgement of the social responsibilities foisted upon the department over the years. The social load placed upon the transportation industry as a whole constitutes a drain on the finances and manpower of the department. These responsibilities that have nothing to do with the core responsibility of the department and the industry as a whole should be identified, examined, and to the greatest degree possible, lifted off the shoulders of transportation and returned to the departments and agencies best suited to deal with such issues.

It would be an interesting study, indeed, to determine how much of the transportation industry's resources are expended on non-transportation issues. Any number of examples can be cited to illustrate this issue. A focus on this issue could yield tremendous returns of time and money. It has the potential of actually benefiting the subsidized public as well by focusing efforts, not "shotgunning" them. My fourth specific recommendation would be to execute a focused study on the social load placed upon transportation and how best to reassign the identified responsibilities.

My last recommendation in the time I have remaining is to suggest that the department focus on its core mission. The irony is that, given its poly-modality mandate, it is impossible to determine what that core mission is. The transit folks must, by necessity, have a different core mission than the highway folks. Those involved with airports and other specialties within the department must, again, have a different core mission. It is impossible to determine a core responsibility beyond such platitudes as, "providing transportation for California" with such conflicting and competing responsibilities.

It would be my suggestion that the possibility of creating much more discrete bureaus within the department for the various responsibilities discussed herein be investigated. To visit once more my theme of empowerment and responsibility, such reorganization would clearly define each area of responsibility, provide champions for each modality and by giving each modality equal access to the Secretary of Business,

Transportation and Housing, allow each to argue their case, without any filter at the department level. Policy could then be crafted at the policy level.

Governor Schwarzenegger, Mr. Chairman and members, it has been a pleasure and an honor to visit with you here today and to publicly applaud your efforts on behalf of the people of California. It is my sincere hope that you find my brief comments of some value. Should you wish additional thoughts on the subject at hand or amplification or clarification of comments and suggestions I have shared here today, I would hope that you would call upon me again.